



Idaho Public Utilities Commission

P.O. Box 83720, Boise, ID 83720-0074

C.L. Butch Otter, Governor

Paul Kjellander, Commissioner
Mack A. Redford, Commissioner
Marsha H. Smith, Commissioner

Case No. IPC-E-14-38, Order No. 33185

Contact: Gene Fadness (208) 334-0339, 890-2712

www.puc.idaho.gov

Idaho Power, NEEA reach agreement to continue energy efficiency efforts

BOISE (Dec. 12, 2014) – The Idaho Public Utilities Commission is taking comment through Dec. 22 on an Idaho Power proposal to invest \$13.45 million in energy efficiency programs in collaboration with the Northwest Energy Efficiency Alliance (NEEA).

The application does not change customer rates because Idaho Power's investment in NEEA energy efficiency programs is funded by a portion of the Energy Efficiency Rider on customer bills, currently set at 4% of a customer's monthly billed amount.

NEEA is a non-profit organization that seeks to maximize energy efficiency in four Northwest states through the adoption of energy efficient products, services and practices. NEEA is funded by the Energy Trust of Oregon, the Bonneville Power Administration and by electric utilities in Washington, Oregon, Idaho and Montana.

From 1997-2014, NEEA delivered 1,024 average megawatts of regional energy savings. Idaho Power's portion of NEEA-related savings during the same period was 28.2 average megawatts.

Idaho Power had notified NEEA that once the 2010-14 funding cycle ended, its participation would end. Idaho Power claimed the NEEA funding model duplicated services that Idaho Power could perform on its own at a lower cost or more effectively.

Since then, however, NEEA and Idaho Power have reached an agreement that allows Idaho Power to opt out of some NEEA programs that it felt were duplicative or did not directly benefit Idaho Power customers.

The 2015-19 plan is customized to better meet its customers' needs, Idaho Power claims. The plan includes funding for continued research at the University of Idaho Integrated Design Lab and market transformation efforts aimed at acquiring energy

efficient lighting, appliances and building materials in the residential, commercial and industrial sectors.

NEEA's business plan for 2015-19 is to deliver 145 aMW of regional energy savings in the four states, with a planned expenditure of between \$145 million and \$169 million. Idaho Power proposes to provide \$13.45 million over five years, or about 9% of NEEA's total budget. The total resource cost for NEEA programs is equal to are less than 3.5 cents per kilowatt-hour, considerably less than energy from most other sources.

To ensure that Idaho Power customer dollars are being used efficiently, Idaho Power and NEEA entered into an agreement that holds NEEA accountable for delivering on its projected energy savings. Under the agreement, NEEA will hire an independent CPA firm to complete an annual financial audit and internal control review.

The agreement also details three instances under which Idaho Power may reduce or terminate funding. Those include 1) a refusal by the Oregon or Idaho commissions to not allow Idaho Power to recover NEEA-related expenses, 2) the passing of legislation that eliminates Idaho Power's responsibility to provide energy efficiency and demand reduction programs funded by an energy efficiency rider and 3) a change to NEEA bylaws to which Idaho Power does not agree.

Warren Kline, senior vice president of customer operations at Idaho Power, said NEEA allows Idaho to better leverage its market transformation investment by building on NEEA's pooled resources, market research and program design in its four-state area.

"Because NEEA works in markets beyond Idaho Power's service area, there is a greater likelihood that market changes in Idaho Power's service areas will be rooted in a regional market," Kline said in comments filed at the PUC. "Idaho Power's participation in NEEA enables it to influence the direction of NEEA's activities to bring direct benefit to Idaho Power customers."

Comments are accepted via e-mail through Dec. 22, by accessing the commission's Website at www.puc.idaho.gov and clicking on "Case Comment Form," under the "Consumers" heading. Fill in the case number (IPC-E-14-38) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

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